

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 20, 2002

IN RE:

MEMPHIS NETWORKX, LLC PETITION  
FOR APPROVAL OF A MODIFICATION  
OF THE ANNUAL AUDIT PERIOD OF  
MEMPHIS NETWORKX, LLC

DOCKET NO.  
01-01090

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ORDER GRANTING MODIFICATION

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This docket came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on January 8, 2002 for consideration of the *Petition for Approval of a Modification of the Annual Audit Period* filed by Memphis Networkx, LLC and Memphis Light, Gas & Water Division, a division of the City of Memphis, ("MLGW") on December 6, 2001.

At the June 12, 2001 Authority Conference, the Authority approved the Amended and Restated Operating Agreement submitted by MLGW and Memphis Broadband, LLC for the creation and operation of Memphis Networkx, LLC and granted Memphis Networkx, LLC a Certificate of Public Convenience and Necessity.<sup>1</sup> As part of its approval and grant, the Authority ordered:

[MLGW] and Memphis Networkx, LLC shall submit to an audit that will include an examination to determine whether [MLGW] and Memphis Networkx, LLC are in compliance with Tennessee law and the Authority's rules and orders. . . . The audits shall commence one year from the date of this order and shall continue on an annual basis unless otherwise ordered by the Authority.<sup>2</sup>

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<sup>1</sup> See *In re: Application of Memphis Networkx, LLC for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunication Services and Joint Petition of Memphis Light Gas & Water Division, a Division of the City of Memphis, Tennessee ("MLGW") and A&L Networks-Tennessee, LLC ("A&L") for Approval of Agreement Between MLGW and A&L Regarding Joint Ownership of Memphis Networkx, LLC*, Docket No. 99-00909, *Final Order Approving Amended and Restated Operating Agreement and Granting Certificate Of Public Convenience And Necessity*, pp. 34 & 38-39 (Aug. 9, 2001).

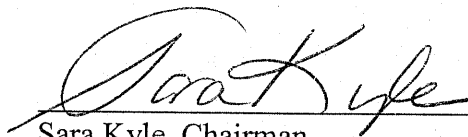
<sup>2</sup> *Id.* at 39.

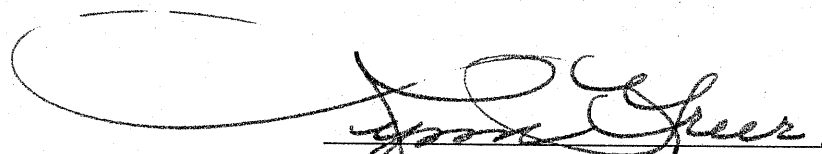
On December 6, 2001, Memphis Networx, LLC and MLGW filed a *Petition for Approval of a Modification of the Annual Audit Period* requesting that the Authority modify the annual audit period to an "initial audit period commencing August 9, 2001 and ending December 31, 2002 and annually thereafter on a calendar year basis."<sup>3</sup>

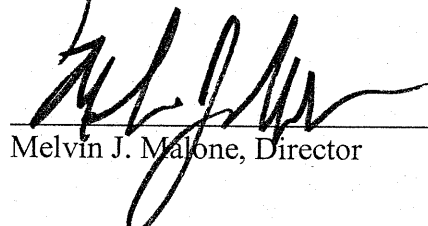
The Authority considered the Petition at the December 18, 2001 Authority Conference. Upon finding the request to be reasonable, the Authority unanimously voted to grant the Petition.

**IT IS THEREFORE ORDERED THAT:**

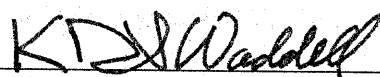
The *Petition for Approval of a Modification of the Annual Audit Period* filed by Memphis Networx, LLC and Memphis Light, Gas & Water Division, a division of the City of Memphis, on December 6, 2001 is granted. The annual audit period shall be modified such that the initial audit period shall proceed from August 9, 2001 through December 31, 2002. Thereafter, annual audits shall coincide with Petitioners' fiscal years.<sup>4</sup>

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary

<sup>3</sup> *Petition for Approval of a Modification of the Annual Audit Period*, p. 1 (Dec. 6, 2001).

<sup>4</sup> According to the Petition, Petitioners' fiscal years are January 1 through December 31. *See id.* at 3.